

**COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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Verizon Massachusetts – Pricing of  
Unbundled Network Elements and  
Resale Services Discounts

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**COMMENTS OF VERIZON MASSACHUSETTS ON THE  
EXTENSION OF COMPLIANCE FILING DATE  
AND TIME FOR FILING PETITIONS FOR RECONSIDERATION**

**INTRODUCTION**

Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”) hereby responds to the July 24, 2002 Notice of the Hearing Officer, the CLEC Coalition’s Motion for an Extension of Time for Filing Petitions for Reconsideration, and AT&T’s opposition to Verizon MA’s Motion for Extension of Compliance Filing Date and Time for Filing Petitions for Reconsideration in this proceeding. As Verizon MA explained in its July 22, 2002 Motion and the accompanying Affidavit of Carmelo R. Curbelo, Verizon MA is unable to complete the compliance filing by August 5, 2002, as required by the Department’s July 11, 2002 order, and accordingly requests an extension of 35 days until September 9, 2002 to do so. As explained below, Verizon MA does not believe that it would be feasible or efficient either to provide estimated rates before then or to file the compliance filing on a staggered basis. Instead, Verizon MA proposes that its extension request be granted, but that the Department retain August 5, 2002, as the effective date and allow Verizon MA to retroactively true up back to August 5,

2002, the new rates that Verizon will file on September 9, 2002. This effectively implements the new rates as specified in the July 11<sup>th</sup> order, and no party will therefore be prejudiced. Verizon also supports the proposal of the CLEC Coalition to set the deadline for any petitions for reconsideration of the Department's order to 21 days after Verizon's proposed date for the compliance filing (September 30, 2002),<sup>1/</sup> which will give all parties the opportunity to take account of the rates in the compliance filing in preparing any petitions for reconsideration.

### **ARGUMENT**

As an initial matter, AT&T's assertions that Verizon MA "should have no difficulty completing [the compliance filing] in the reasonable time period ordered by the Department" and that "Verizon wishes to delay resolution of this case" (AT&T Opposition at 2) are both unsupported and wrong. As Verizon MA explained in detail in its Motion, supported by the sworn testimony of Mr. Curbelo, it cannot complete the enormous amount of work required in order to revise all of its cost studies (over 50 recurring cost studies, comprising over 225 rate elements, and its more than 130 nonrecurring cost studies) and develop new tariffs within the 25 days allowed by the Department's order. Revising these studies, and in certain cases, developing new studies, is a significant undertaking that requires extensive coordination among cost analysts and uniform supervision, as Mr. Curbelo explained.<sup>2/</sup> (Curbelo Affidavit. at ¶¶ 8-17) Although AT&T belittles this complex and time-intensive process as "[h]aving a clerk type in a few

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<sup>1/</sup> Although the CLEC Coalition proposes an extension of 20 days, that would, under Verizon MA's proposed filing date for the compliance filing, result in petitions for reconsideration being due on September 29, which is a Sunday.

<sup>2/</sup> Contrary to AT&T's claims, Verizon is not seeking this extension because it "prefers to devote staff resources elsewhere." (AT&T Opposition at 2.) As Mr. Curbelo simply noted, the substantial work required by the Department's order occurs at a time when Verizon is under similar filing requirements in multiple other jurisdictions. (Curbelo Affidavit at ¶ 20)

hundred replacements . . . a relatively trivial exercise” (AT&T Opposition. at 3), it offers *no* evidence to contradict the sworn testimony of Mr. Curbelo that the work Verizon MA is required to perform simply cannot be done within the established time period. (See Curbelo Affidavit at ¶ 3)

Nevertheless, so that the Department may preserve August 5, 2002 as the effective date for the new tariff, Verizon MA proposes to true up its rates to the levels set forth in the new tariff filed on September 9, 2002, back to August 5, 2002. Under this timeframe, CLECs will not be harmed in any way because they will effectively pay the new rates as of August 5, 2002, and, at the same time, Verizon MA will be allowed the necessary time to complete the substantial work required by the Department’s order.<sup>3/</sup>

Verizon MA cannot, however, support the adoption of either of the Hearing Officer’s suggestions, as both are practically infeasible and in any event unnecessary in light of Verizon MA’s true-up proposal. The first suggestion, that Verizon MA file estimated UNE rates, would result in further complications for all parties since it would require Verizon MA to introduce two sets of new rates -- one on August 5 and a second on September 9. Moreover, because, as Mr. Curbelo has explained, Verizon MA will not be in a position to know the new rates resulting from the Department’s order as of August 5, any “estimated” rates as of that date would necessarily involve a significant amount of guesswork and approximation. The second proposal, that Verizon MA file its compliance filing on a staggered basis, is similarly flawed. Verizon

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<sup>3/</sup> Verizon MA notes that for certain non-recurring charges billed through its CABS billing system, Verizon MA will have to set interim rates as of August 5, 2002, and then, as with all of its UNE rates, retroactively true-up those charges once the new tariff is filed on September 9, 2002. This is necessary because under the Department’s order, Verizon MA must create a new rate structure for these charges, and the CABS billing system cannot true up rates with differing rate structures. Verizon MA is exploring a similar possibility for switching rates.

MA's cost studies are interrelated, and many of the inputs ordered by the Department impact multiple studies. For example, Verizon MA's annual cost factors are calculated only after the cost studies have been run, but are then applied to its investment levels to determine annual and monthly costs. (*See* Curbelo Affidavit at ¶ 16) In any event, it is unclear what benefit the parties would obtain from a staggered compliance filing since the new rates themselves still would not be available until September 9. Ultimately, the Hearing Officer's proposals would only create additional work and complications and distract Verizon MA from its ultimate goal of producing a complete and accurate compliance filing.

Finally, Verizon MA agrees with the CLEC Coalition's proposal that the deadline for any petitions for reconsideration be extended to 21 days after Verizon MA's compliance filing (i.e., September 30, 2002 under Verizon MA's proposal). This approach will eliminate any concern that Verizon MA might have some advantage in preparing any petitions for reconsideration. As the CLEC Coalition notes, "no party will be prejudiced by an extension of the reconsideration motion deadline until *after* the compliance filing." (CLEC Motion at 3) Furthermore, such an extension will allow all parties to evaluate the impact of the Department's order on all of Verizon MA's rates before deciding whether to request reconsideration of any particular issue, which "will help to narrow potential reconsideration issues and conserve the resources of both the Department and all parties." (*Id.* at 2)

## **CONCLUSION**

For the foregoing reasons, Verizon MA requests that the Department extend the deadline for Verizon MA's compliance filing by 35 days (to September 9, 2002) and any petitions for reconsideration by an additional 21 days (to September 30, 2002). In addition, Verizon MA

proposes that the effective date of the new dates remain August 5 by having the rates it files on September 9 be trued up back to August 5.

Respectfully submitted,

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